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TAGS: [MARR](#) [MOPS](#) [PINS](#) [PREL](#) [PTER](#) [RP](#)
SUBJECT: SCENESETTER FOR ADMIRAL OLSON'S VISIT TO THE
PHILIPPINES

Classified By: Ambassador Kristie A. Kenney for reasons 1.4 (b) and (d)

¶1. (SBU) Summary: Admiral Olson, welcome to the Philippines! You are coming to the Philippines at an important time. The Armed Forces of the Philippines is demonstrating impressive combat prowess in ongoing operations against terrorists on the island of Jolo. Under the leadership of Philippines Chief of Staff General Esperon, the Armed Forces is fully committed to the Defense Reform and Battalion Retraining Programs. US Special Operations Command is an essential partner in our efforts to defeat terrorism and help the Philippine military reform itself. The Joint Special Operations Task Force-Philippines operating here are key partners in assisting the Philippine military defeat the terrorists. During your visit you will have a chance to meet key Philippine civilian and military leaders and to see on the ground in Jolo the impact of USAID's and JSOTF-Philippines' civil-military operations. End Summary.

POLITICAL-MILITARY RELATIONS

¶2. (C) President Arroyo appears determined to press ahead with key priorities until the end of her term in 2010, which include sustaining momentum in peace talks with the Moro Islamic Liberation Front, seeking additional counterterrorism successes against High Value Terrorist Targets, maintaining solid economic growth and investment, and continuing the historic Philippine Defense Reform initiative. Mid-term elections in May 2007 gave her coalition parties a large majority in the House of Representatives and in provincial governments, but led to a solid Opposition victory in the Senate, thereby complicating her ability to push her legislative agenda.

¶3. (C) Despite an abortive coup attempt and week-long "State of National Emergency" in February 2006 and failed impeachment efforts in Congress in 2005 and 2006, President Arroyo currently appears in a stable and strong political position. She has worked especially hard to ensure good relations with the military, and is keen to obtain additional military equipment to modernize the Armed Forces of the Philippines. New Secretary of National Defense Gilberto Teodoro is a Harvard law graduate, brings a new enthusiasm to the defense department and is an ally of President Arroyo. Initial indications are Secretary Teodoro will stay the course with respect to Philippine Defense Reform. The Chief

of Staff General Hermogenes "Jun" Esperon is a strong supporter of Defense Reform and a reliable partner in our counterterrorism efforts. Of some concern within the military, however, was the election to the Senate in 2007 of a junior army officer still detained and on trial for leadership of a mutiny to effect change in soldier's basic entitlements in 2003.

SECURITY AND INSURGENCIES

¶4. (C) President Arroyo is a committed counterterrorism partner, and has repeatedly demonstrated her willingness to work closely with us on combating Islamist extremism. Military and law enforcement forces scored several major victories in the counterterrorism fight over the past year, including the deaths in military operations of Abu Solaiman, Khadaffy Janjalani, and Jundam Jamalul ("Black Killer") of the notorious terrorist Abu Sayyaf Group. Recent payouts of \$10 million by our Rewards for Justice program for these deaths will likely lead to additional captures or killings in military operations by the Philippine Armed Forces of wanted Jemaah Islamiyah and Abu Sayyaf terrorists, notably "Bali bombers" Dulmatin and Patek. In recent military operations, Philippine troops killed two significant local Abu Sayyaf commanders in Basilan suspected of involvement in several terrorist attacks, including an October 2002 bombing that killed a U.S. serviceman.

¶5. (C) Prospects for peace with the Muslim Insurgency remain favorable. We are directly engaged with all players, including the insurgency's leadership to ensure the severing of any remaining ties to the terrorists. The Malaysian-led International Monitoring Team has greatly contributed stability to the four-year ceasefire between the Philippine government and the Muslim Insurgents. Peace talks under

Malaysian auspices offer signs that the two parties may work out a deal that addresses the key issue of Muslim territory and self-determination.

¶6. (C) The Communist Party of the Philippines/New People's Army insurgency remains a virulent nationwide threat. While its ideology and tactics hold little appeal for the overwhelming majority of Filipinos, the movement is fueled by poverty, insufficient government services, and discontent with the corruption that permeates the political system. The US and European Union designations of the New Peoples Army as a terrorist organization in August 2002 set back its overseas fundraising efforts. Philippine Armed Forces leaders hope to redirect assets against the New Peoples Army after they have successfully concluded an agreement with Muslim insurgents.

THE ARMED FORCES OF THE PHILIPPINES

¶7. (C) The Philippine Armed Forces remains heavily engaged in combating internal security threats but maintains limited external defense capabilities. The Philippine government plans to spend about US\$100 million per year between 2006 and 2012 to fund Defense Reform, the Capability Upgrade Program, and the Battalion retraining program.

¶8. (U) The Armed Forces of the Philippines are already beginning to see the positive effects of the Maintenance Mobility Program. Three C-130's are now operational and a fourth is awaiting depot maintenance. Several efforts are coming together that will eventually bring a total of 46 UH-1H helicopters to the Philippines. They purchased 20 reconditioned Hueys from Singapore, all of which have now been delivered. In June of this year, we turned over the first 10 of 20 UH-1Hs promised by President Bush during President Arroyo's May 2003 State Visit to Washington. We also delivered an additional six Excess Defense Article UH-1Hs refurbished with national funds.

PHILIPPINE DEFENSE REFORM

¶9. (U) There are now 13 US Subject Matter Experts on the ground to implement Philippine Defense Reform, which will transform the AFP into a more transparent, accountable, and modern fighting force and counterterrorism partner. In addition to long term institutional changes, the multi-year Capability Upgrade Program will upgrade and modernize 72 Philippine Army and 12 Philippine Marine Corps battalions over the next six years. The Battalion Retraining component will focus on better training, personnel and logistics programs, while introducing new personnel policies, and new equipment.

UNLAWFUL/EXTRAJUDICIAL KILLINGS

¶10. (SBU) Allegations continue to surface of involvement by military and police elements in the deaths of leftist activists and journalists. President Arroyo and senior military and police officials have forcefully made clear that any such killings violate State policy and that all culprits must face justice, regardless of who they are. A special police task force is investigating all such killings, while special courts will handle the expeditious processing of these cases. Both the armed forces and the police have set up new human rights offices to assist in the investigations, working with the Philippine Commission on Human Rights.

¶11. (U) The Embassy carefully vets all proposed military and law enforcement personnel about to receive U.S.-funded training both internally and with relevant Philippine authorities to comply with the terms of the Leahy Amendments.

THEMES:

KEEP UP THE COUNTERTERRORISM FIGHT, PDR, AND RULE OF LAW

¶13. (C) In your meetings, I suggest you stress the following themes:

- The Philippines is a strong and valued partner in counterterrorism efforts;
- Our condolences to the Armed Forces of the Philippines and the families of the soldiers who recently lost their

lives in Mindanao;

- Congratulations on recent successes in the fight against terrorists, and commendations to those brave Filipinos who provided information leading to these successful military operations;

- Unlawful or extrajudicial killings undermine confidence in the rule of law and in the armed forces. We appreciate that the Philippines takes the issue seriously. It is important to apprehend suspects in these killings and provide a fair judicial process;

- Philippine Defense Reform is an important and successful tool in transforming the Armed Forces into a more transparent, accountable, and effective institution, and we will continue to assist in your efforts, along with your modernization drive and additional training;

- We hope that the Philippines will soon agree to participate in the new Global Peacekeeping Operations Initiative, especially in light of the important roles your military and police personnel already play in UN peacekeeping operations around the world.

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KENNEY